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Bethwaite Review  
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**SUBMISSION BY DAIRY AUSTRALIA TO THE BETHWAITE REVIEW OF THE  
AUSTRALIAN FOOD REGULATORY FRAMEWORK**

Dairy Australia is the dairy industry's owned service company, limited by guarantee, whose members are farmers and industry bodies, including the Australian Dairy Products Federation (ADPF) and the Australian Dairy Farmers Limited (ADF). Dairy Australia welcomes the opportunity to provide this submission to the Bethwaite Review on behalf of the dairy industry, and in support of submissions made by individual dairy industry organizations.

**GENERAL COMMENTS**

A positive food regulatory environment consistent with the protection of public health is critical to the success of the dairy industry's innovation, sustainability and competitiveness. The industry is supportive of the intent of this review, related to the previously conducted Blair and Banks reviews – to identify how the food regulatory framework can be streamlined and made nationally consistent to improve the competitiveness of the Australian food industry.

However, in order to avoid inconsistency in outcomes and recommendations, or involving duplication of resources, the dairy industry would encourage the Bethwaite Review to take into consideration food regulatory reviews currently underway or recently completed, (eg, the Victorian Government (VCEC) review and the Queensland review of the Food Production (Safety) Act 2000). The current COAG review of hazardous materials (chemicals of security concern) also provides an opportunity to consider benefits of streamlining existing or any future requirements as many of the current chemical security requirements are contained within food safety regulatory systems.

## **COMMENTS IN RESPECT OF THE REVIEW THEMES OF CONSISTENT LEGISLATION, CONSISTENT IMPLEMENTATION AND IMPROVED GOVERNANCE**

The dairy industry has a long history of working in partnership with government agencies that are responsible for food regulation at both State and Commonwealth levels.

The dairy industry strongly supports food regulation that is underpinned by the following core principles:

- Effectiveness and efficiency
- Science-based
- Nationally consistent
- Outcomes focussed
- Proportionate to risk

The robustness of a regulatory system based on these principles is vital to maintain consumers' confidence in the quality and safety of the dairy industry's products on both the domestic and international markets.

The dairy industry recognizes the substantial gains made over the last decade in respect of the regulation of food safety (hygiene), moving from a prescriptive, inspectorial approach to one where management of identified risks has been transferred to industry, with Government taking the role of validating and verifying (auditing) the effectiveness of the management systems.

A regulatory framework based on these principles allows dairy businesses across the value chain to incorporate regulatory food safety requirements into business systems. In doing so, this streamlines the common objectives of both government and industry for safe dairy food production, without added regulatory burden. Furthermore, an outcome based framework allows businesses to innovate and incorporate technology changes while continuing to identify and manage their food safety risks. For domestic production, the Government role described above is undertaken by Dairy/Safe Food authorities in each of the jurisdictions.

Notwithstanding the commitment by the jurisdictions to harmonise their approaches to food safety regulation based on the principles described, differences remain. Furthermore, as a major export industry, dairy businesses also need to operate systems that comply with the requirements of export legislation administered by the Australian Quarantine and Inspection Service (AQIS). The dairy industry has therefore been a very strong advocate for a harmonised food safety regulatory framework that covers both domestic and export production.

### ***Harmonised Food Safety Regulatory Framework***

The development of a 'paddock to plate' approach to the food regulatory framework, instigated post the Blair Review, has offered significant benefits to a highly integrated industry such as the dairy industry. This is reflected in the collective development of food policy across the supply chain from portfolios responsible for both pre and post- farm gate production, and in subsequent Standard development.

Contingent upon the continued enhancement of this approach will be appropriate prioritization of policy development, and appropriate deployment of resources for the Food Regulation Standing Committee, and its subordinate Committee, the Implementation Sub-Committee.

The dairy industry worked in partnership with FSANZ to initiate the development of the FSANZ Dairy Primary Production and Processing Standard, of which the major part (heat treated milk) was gazetted in 2006. The National Standard when adopted and implemented by the jurisdictions and by AQIS into export legislation will harmonise food safety requirements for dairy businesses, irrespective of where they operate in Australia and for which markets their products are destined, domestic or international. At the public forum in Melbourne on 20 February 2007, Dairy Australia provided information about this Standard development initiative, and its importance to the industry. We would be happy to provide more details to the Bethwaite review team if requested.

With the intent of streamlining and minimising regulatory imposts, the dairy industry would encourage Government to consider that where food regulation is deemed to be required, that all relevant Governments sectors (not those just involved with regulation of food) are considered in developing a regulatory solution, for example, the role that may be played by role of consumer affairs authorities and the ACCC.

The dairy industry would also encourage the consideration of alternative models to be developed upon which regulatory compliance is evaluated. For example, in the current environment there is a strong focus on audit as the means by which compliance is determined. It can be argued that inspection and audit are inputs into the system and not an effective means of evaluating the outcome. The dairy industry would support a partnership approach with Government to develop a set of principles upon which alternative evaluation models could be developed.

### *Commercial Requirements*

Apart from the business systems required to deliver regulatory food safety outcomes, the dairy industry, like many other food industries is increasingly subject to an array of commercial requirements to verify the production of safe food. When the FSANZ Dairy Primary Production and Processing Standard is completed and uniformly implemented, industry hopes this will allow greater streamlining between regulatory and commercial sector requirements as the Standard should provide a common platform upon which food safety requirements can be based.

The dairy industry encourages the implementation of the dairy industry food safety model for other food industries. As a mature industry with sophisticated systems to meet food safety regulatory requirements, it would be concerned if it is required to operate within a system designed to regulate the 'lowest common denominator', eg, food industries that have yet to develop to the extent to which the dairy industry operates.

***Food Industry Innovation and Role in Achieving Public Health Outcomes***

Increasingly consumers are demanding greater assurances with regard to the safety, health and nutritional qualities of the food they purchase and consume. Leveraging the safety, health and nutritional benefits of foods is not only a key driver to industry innovation but also allows the food industry to be a key partner with government in achieving public health and well being outcomes.

The dairy industry has and continues to participate actively in the development and review of FSANZ Standards such as Nutrition and Health Related Claims, Novel Food, Formulated Supplementary Beverages, Mandatory Fortification with Iodine and Nutrient Reference Values. The industry regards these areas as critical in moving forward to allow innovation to be realized, to leverage the unique nutritional benefits of dairy foods, and therefore allow the industry to be responsive to changing consumer needs and to contribute to public health goals.

It is the view of the dairy industry that an important aspect of public health protection is to provide consumers with sufficient relevant information to make wise decisions in relation to food purchase and consumption.

The comments made within this submission are made in response to the broad, overarching principles outlined for this submission process. The dairy industry looks forward to further involvement with this review as it progresses and providing more specific or detailed comments as appropriate.

Yours sincerely

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